



# Securities and Exchange Commission of Pakistan

Adjudication Division

Adjudication Department

Before Shahzad Afzal Khan,

Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Fateh Sports Wear Limited

Date of Hearing

February 23, 2023

## Order-Redacted Version

Order date February 24, 2023 was passed by Director/Head of Department (Adjudication-I) in the matter of Fateh Sports Wear Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated February 03, 2023
2. Name of Company	Fateh Sports Wear Limited
3. Name of Individual*	The proceedings were initiated against Fateh Sports Wear Limited
4. Nature of Offence	Under Section 211 of the Companies Act, 2017 read with Section 502 and 479 thereof
5. Action Taken	<p>Key findings were reported in following manner:</p> <p>I have gone through the facts of the case, written submissions and arguments made by the Representative during the hearing proceedings and state that the requirements of Section 211 of the Act are explicit requiring all cash transaction of a company with its director to be conducted through banking channels. The Company has also acknowledged that the aforesaid transactions are conducted with directors other than banking channels and requested for the compassionate view owing to financial crises of the company and assurance of future compliance.</p> <p>In this context, while going through the fact of the case and submissions of the Representative, it is hereby observed that most of these payments were primarily made on behalf of the Company to utility companies on account of electricity bill, while one of the payments is made to the share registrar of the Company. This reflect that these were bona fide payments, made on behalf of the Company, which are also not of substantial amounts. Besides, I also consider the fact that these payments were caused to made owing to the fact that the operations of the company are closed of last few years, which resulted in financial crises for the company, and constrained directors to pay certain expenditure of the company on behalf of the Company.</p>



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	<p>Hence, in view of the foregoing, I hereby conclude this proceeding with the warning to the Respondents to be careful in future and ensure compliance of the law in letter and spirit.</p> <p>Nothing in this Order may be deemed to prejudice the operation of any provision of the Act providing for imposition of penalties in respect of any default, omission, violation of the Act.</p>
6. Penalty imposed	Nil
7. Current Status of Order	No appeal has been filed by the respondents.